

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6192

BILL NUMBER: HB 1003

NOTE PREPARED: Jan 5, 2010

BILL AMENDED: Jan 5, 2010

SUBJECT: Contracting of Public Assistance Eligibility.

FIRST AUTHOR: Rep. Riecken

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☒ FEDERAL

IMPACT: State

Summary of Legislation:(Amended) This bill prohibits the Office of the Secretary of Family and Social Services (FSSA), the Division of Family Resources (DFR), and the Office of Medicaid Policy and Planning (OMPP) to contract with another person to administer or process eligibility intake for specified programs. The bill exempts from the prohibition a health care provider who determines that an individual is presumptively eligible for Medicaid as allowed in the Medicaid State Plan.

The bill repeals a requirement that a contractor of the specified programs make certain reports.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) This bill would require FSSA to administer and process eligibility for Food Stamps, Medicaid, and Temporary Assistance to Needy Families (TANF) using only state employees. The bill is not clear with regard to what activities are included in the prohibitions for contract services, although it does allow for contractual services for the determination of presumptive eligibility. This provision would take effect upon passage of the bill or on the expiration of any existing contracts that are in effect when the bill becomes effective.

FSSA would be required to hire a sufficient number of employees to maintain the ongoing workflow of the eligibility process. The resources necessary to perform the required work would come from existing appropriations. It is not known at this time if resources above the level of the existing contract and budget would be necessary to transition the privately contracted services to operation by the state.

Explanation of State Revenues: 50% of Food Stamps, Medicaid, and TANF administrative expenses are

reimbursed by the federal government.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: FSSA.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Kathy Norris, 317-234-1360.